



# **DC Health Benefit Exchange Authority**

**Mila Kofman, Executive Director**

**HBX Proposed Budget FY21**

**Budget Oversight Hearing**

**DC Council Committee on Health**

**Chairperson Councilmember Gray**

**June 5, 2020**



## OVERVIEW

### I. Update on Activities Related to COVID-19

1. HBX staff and the DC Health Link Contact Center are on 100% telework operating status.
2. HBX Board and staff have been focusing on:
  - ✓ Removing financial barriers for COVID-19 related medical care, and
  - ✓ Helping residents and businesses get insured and stay insured.

### II. Summary of FY21 Proposed Budget



## UPDATE ON COVID-19: REMOVING FINANCIAL BARRIERS TO CARE

- ✓ DC Health Link insurers agreed to waive all deductibles, copayments and coinsurance for diagnosis, testing, and treatment\* for COVID-19.
- ✓ DC Health Link insurers are providing telehealth/telemedicine without financial obligations for both COVID-19 and **non**-COVID-19 care.

For more information on DC Health Link COVID-19 private health insurance coverage benefits, see [www.dchealthlink.com/coronavirus](http://www.dchealthlink.com/coronavirus).

\***DISB** Emergency Orders: prohibit patient financial obligations for COVID-19 treatment; prohibit cancellations of coverage during the public health emergency and require insurers to give residents 12 months (in installments) to pay any back owed premiums.



## UPDATE ON COVID-19: HELPING RESIDENTS GET INSURED

- ✓ **Expanded enrollment opportunities:** any uninsured resident can sign up through **September 15, 2020.**
- ✓ **Changed on-line IT:** made it as easy to enroll as during open enrollment – shop and enroll on-line, no documents/no paperwork/no need to call.
- ✓ **Allowed early start dates for coverage.**
- ✓ **Worked with Department of Employment Services** to include health insurance enrollment information for people applying for unemployment insurance.
- ✓ **Contacting small businesses that are downsizing** and/or terminating coverage through DC Health Link to enroll their former employees who are District residents into private coverage or Medicaid. DC Health Link Assisters made 2,500+ calls.
- ✓ **Contacting employers not covered through DC Health Link** who are downsizing to enroll their former employees who are District residents into private coverage or Medicaid.

# INDIVIDUAL HEALTH INSURANCE MARKETPLACE PLAN SELECTIONS

AS OF DATE	PLAN YEAR 2020	PLAN YEAR 2019	2020 to 2019 difference	2020 to 2019 difference (%)
2/16/2020	225	137	88	64%
2/23/2020	345	216	129	60%
3/1/2020	574	400	174	44%
3/8/2020	722	484	238	49%
3/15/2020	855	575	280	49%
3/22/2020	1,228	742	486	65%
3/29/2020	1,521	925	596	64%
4/5/2020	1,766	1,034	732	71%
4/12/2020	1,947	1,163	784	67%
4/19/2020	2,072	1,249	823	66%
4/26/2020	2,182	1,361	821	60%
5/3/2020	2,356	1,513	843	56%
5/10/2020	2,438	1,606	832	52%
5/17/2020	2,519	1,678	841	50%
5/24/2020	2,654	1,744	910	52%



## UPDATE ON COVID-19: HELPING WORKERS AND THEIR DEPENDENTS GET INSURED

- ✓ **Created a new qualifying event for job-based coverage** through DC Health Link to allow uninsured employees of enrolled businesses to enroll until **September 15, 2020**.
  - This allows employees who in the past turned down job-based coverage to enroll in their employer's DC Health Link plan.
  - Dependents can also enroll if they turned down coverage in the past.
  - This also helps employees of District businesses who live in other states (especially because the federal exchange is closed to uninsured people).
- ✓ **Added self-serve on-line enrollment:** choose "COVID-19" for qualifying event.
- ✓ **Adopted "zero down" option for employers** to permit employers to offer coverage with little or no contribution. Self-service on-line to enroll and offer benefits to employees.





## COVID-19: HELPING SMALL BUSINESSES STAY INSURED

- ✓ **Created a new premium deferment period:** Employers can defer premium payments up to 60 days after the Public Health Emergency ends. This is automatically applied so no need to request.
- ✓ **Stopped sending late payment notices.**
- ✓ **Not terminating coverage for non-payment of premium** during the Public Health Emergency as required by **DISB's** Emergency Order. Implemented this to be automatic so no need for employers to request.
- ✓ **Always work with employers on timelines for payment of past due premiums.** Implementing DISB's April 27 Order to provide 1 year for employers to repay past due premiums. Added the 1 year to our extended 60-day premium deferment period. **Employers will have until end of September 2021 to repay past premiums.** And repayments won't begin until end of September 2020. Made repayment program automatic so no need to fill out applications and no need to call.
- ✓ **No late fees or interest for late payment of premium -- ever.**



# Small Group Marketplace Current Enrollment

<b>SHOP ENROLLMENT</b>	<b>GROUPS</b>	<b>COVERED LIVES</b>
Current Enrollment (May 2020)	5,159	80,737
Enrollment 1 Year Ago (May 2019)	5,084	77,950
<b>CHANGE</b>	<b>+75</b>	<b>+2,787</b>





## Small Group Marketplace: Past Due Premiums

- Out of 5,159 employers covered through DC Health Link Small Group Marketplace, **637 employers are behind in payments** as of May 2020. Pre-COVID-19, there are usually 50 to 70 groups each month in arrears.
- HBX is working with health plans to identify additional ways to provide relief to employers and workers.



# HBX Proposed FY21 Budget



## PROPOSED BUDGET - FY21

- PROCESS: Staff, Board Finance Committee, Standing Advisory Board (diverse stakeholders) & HBX Executive Board
- Organized to Reflect Function Areas
- Efficiency: Leverage DC gov't agencies; phase-out consultants and transition to FTEs, and reduce operational costs through partnership with the Massachusetts Health Connector
  - **\$1.5M savings with MA partnership**
- FY21 PROPOSED BUDGET **\$30,947,602** with a **\$28,696,926** BUDGET FOR ASSESSMENT
- **Funded through an assessment on health carriers (.90%)**



## COMPARISON: FY20 & FY21

	FY20 APPROVED BUDGET	FY21 PROPOSED BUDGET	\$ CHANGE	% CHANGE
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,492,332	\$10,639,403	\$147,071	1.40%
CONSUMER EDUCATION AND OUTREACH	\$2,983,333	\$2,995,798	\$12,465	0.42%
IT (DCHealthLink.com)	\$11,898,189	\$10,746,360	<b>(\$1,151,829)</b>	<b>-9.68%</b>
AGENCY MANAGEMENT PROGRAM	\$5,660,719	\$5,798,102	\$137,383	2.43%
AGENCY FINANCIAL OPERATIONS	\$734,258	\$767,939	\$33,681	4.59%
<b>TOTAL BUDGET</b>	<b>\$31,768,832*</b>	<b>\$30,947,602**</b>	<b>(\$821,230)</b>	<b>-2.59%</b>

**\*FY20 BUDGET FOR ASSESSMENT: \$29,614,404**

**\*\*FY21 BUDGET FOR ASSESSMENT: \$28,696,926**



## BUDGET RECONCILIATION TO ASSESSMENT BUDGET

<b>FY21 Proposed Budget</b>	<b>\$30,947,602</b>
<b>Less:</b>	
7.0 FTEs Budgeted for MA Health Connector	(845,000)
Admin Fees Budgeted for MA Health Connector	(250,000)
Contact Center Costs Budgeted for MA Health Connector	(75,000)
Mailing and Postage Fees Budgeted for MA Health Connector	(21,000)
DHCF Cost Allocation for Language Line	(128,020)
DHCF Share of Contact Center Rent	(631,656)
Interest and Other Fees	(300,000)
<b>Net FY21 Budget for Assessment Calculation</b>	<b>\$28,696,926</b>



## **FY21 REDUCTION IN HBX OPERATING COSTS THROUGH MA HEALTH CONNECTOR PARTNERSHIP**

<b>Category</b>	<b>FY21 Budget</b>
Personnel – 7.0 FTEs	845,000
Admin Fees	250,000
Premium Aggregation*	317,550
Contact Center	75,000
Mailing and Postage	21,000
<b>Total</b>	<b>\$1,508,550</b>

\* SAVINGS ALREADY REFLECTED IN FY21 PROPOSED BUDGET



## SUMMARY PROPOSED FY21 BUDGET

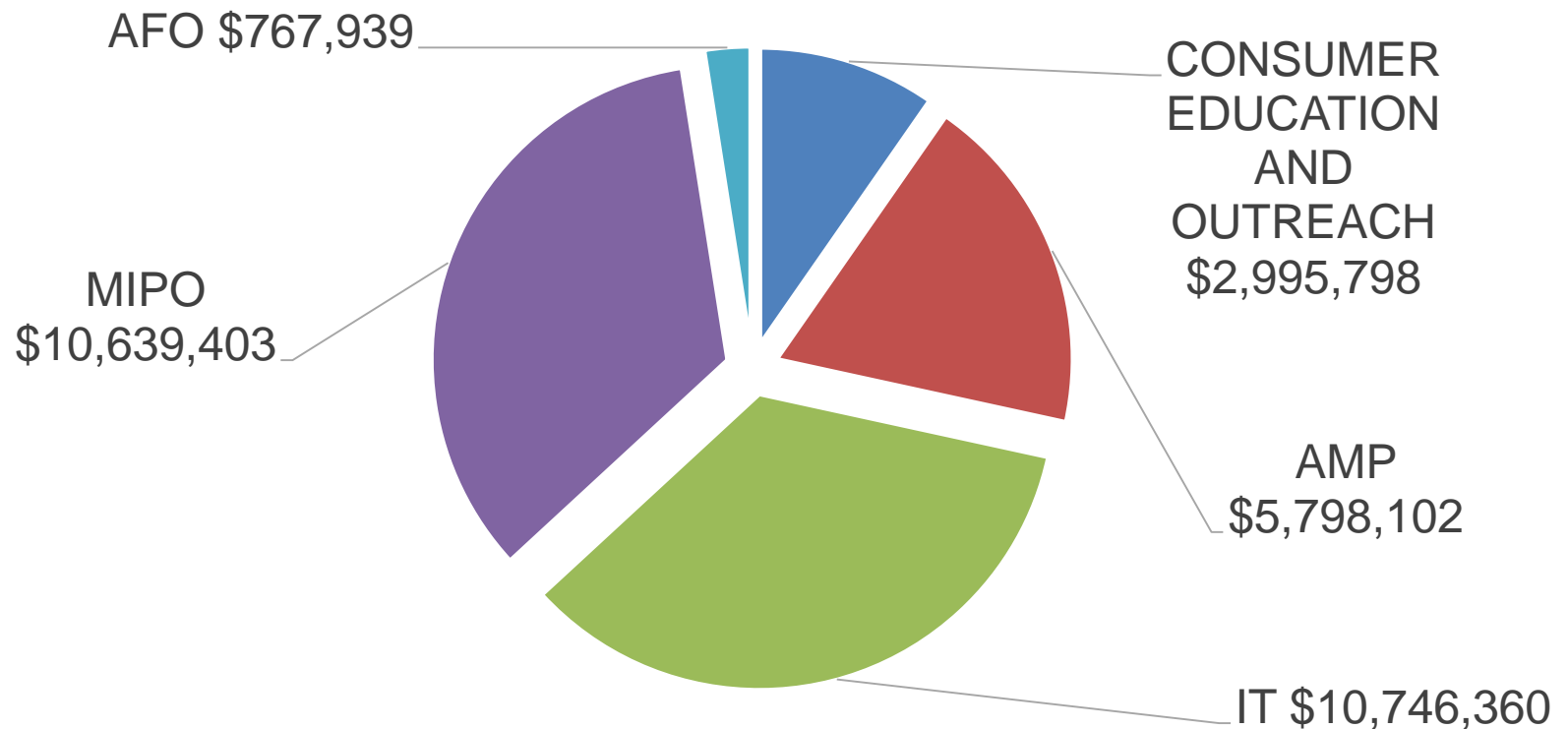
	BUDGET	FTEs
MARKETPLACE INNOVATION POLICY AND OPERATIONS (Marketplace Operations)	\$10,639,403	50.0
CONSUMER EDUCATION AND OUTREACH	\$2,995,798	5.0
IT (DCHealthLink.com)	\$10,746,360	32.0
AGENCY MANAGEMENT PROGRAM	\$5,798,102	19.0
AGENCY FINANCIAL OPERATIONS	\$767,939	3.0
<b>TOTAL BUDGET</b>	<b>\$30,947,602*</b>	<b>109.0</b>

\*FY21 BUDGET FOR ASSESSMENT: \$28,696,926





## PROPOSED FY21 BUDGET BY PROGRAM



**FY21 ASSESSMENT BASED BUDGET IS \$28,696,926**



## **MARKETPLACE INNOVATION, POLICY AND OPERATIONS (MIPO)**

**PROPOSED FY21 BUDGET: \$10,639,403 (FY20  
BUDGET \$10,492,332)**

- FY21 PERSONNEL SERVICES FOR 50 FTEs: \$6,009,846
- NON-PERSONNEL SERVICES (NPS): \$4,629,557



## **MIPO BUDGET BY FUNCTION AREAS**

- CONTACT CENTER: \$2,248,557
- PLAN MANAGEMENT: \$2,757,062
- ELIGIBILITY AND ENROLLMENT: \$1,793,091
- SHOP: \$2,872,757
- DATA AND REPORTING: \$170,521
- PERFORMANCE MANAGEMENT (SOFTWARE, SUPPLIES, COMPUTER REFRESH, EMMA EMAIL TOOL, AND EMPLOYEE TRAINING): \$797,415



## **MIPO: CONTACT CENTER**

**(ASSUMES CURRENT 74/26 COST ALLOCATION WITH DHCF)**

### **CONTACT CENTER PROPOSED FY21 BUDGET: \$2,248,557**

- CONTACT CENTER SERVICE CONTRACT: \$1,300,000
- CALL CENTER SALESFORCE LICENSES: \$61,266
- ADMIN: \$6,922
- RENT: \$853,589 (L'ENFANT PLAZA)\*
- LANGUAGE LINE: \$26,780

\*FULL COST BILLED TO HBX. REIMBURSED THROUGH COST ALLOCATION AGREEMENT WITH DHCF.



## **MIPO: ELIGIBILITY AND ENROLLMENT (INDIVIDUAL MARKETPLACE)**

### **ELIGIBILITY AND ENROLLMENT PROPOSED FY21 BUDGET: \$1,793,091**

- PERSONNEL SERVICES: \$1,349,091
- NON-PERSONNEL SERVICES: \$444,000
  - MOA WITH OFFICE OF ADMINISTRATIVE HEARINGS FOR ELIGIBILITY APPEALS: \$15,000
  - NOTICE PRINTING/MAILING: \$152,000
  - AMHARIC/SPANISH TRANSLATION OF NOTICES: \$27,000
  - CONSULTING SERVICES: \$250,000



## **MIPO: PLAN MANAGEMENT**

### **PLAN MANAGEMENT PROPOSED FY21 BUDGET: \$2,757,062**

- PERSONNEL SERVICES: \$1,807,062
- NON-PERSONNEL SERVICES: \$950,000
  - ACTUARIAL SERVICES: \$250,000
  - DOCTOR DIRECTORY, HEALTH PLAN MATCH,  
PRESCRIPTION DRUG FORMULARY LOOKUP TOOL,  
DENTAL PLAN MATCH: \$700,000



## **MIPO: SMALL BUSINESS MARKETPLACE (a.k.a. SHOP)**

### **SHOP PROPOSED FY21 BUDGET: \$2,872,757**

- PERSONNEL SERVICES: \$2,024,757
- NON-PERSONNEL SERVICES: \$848,000
  - PREMIUM AGGREGATION: \$500,000\*
  - CONSULTING SERVICES: \$250,000
  - NOTICE MAILING AND POSTAGE: \$98,000\*\*

\*REFLECTS SAVINGS OF \$317,550 FROM MA HEALTH CONNECTOR PARTNERSHIP

\*\*INCLUDES \$21,000 TO BE REIMBURSED BY THE MA HEALTH CONNECTOR





## **MIPO: DATA AND REPORTING**

### **DATA AND REPORTING PROPOSED FY21 BUDGET: \$170,521**

- PERSONNEL SERVICES: \$166,521
- NON-PERSONNEL SERVICES: \$4,000 (internal survey tool)



# **MIPO: PERFORMANCE MANAGEMENT**

## **MIPO PERFORMANCE MANAGEMENT PROPOSED FY21 BUDGET: \$797,415**

- **PERSONNEL SERVICES: \$617,415**
- **OVERTIME: \$45,000**
- **NON-PERSONNEL SERVICES: \$135,000**
  - **COMPUTER REFRESH, SUPPLIES, TRAINING, NAHU: \$115,000**
  - **EMMA EMAIL TOOL: \$20,000**



## **CONSUMER EDUCATION AND OUTREACH**

### **CONSUMER EDUCATION AND OUTREACH PROPOSED FY21 BUDGET: \$2,995,798 (FY20 BUDGET \$2,983,333)**

- PERSONNEL SERVICES FOR 5 FTEs: \$705,798
- NON-PERSONNEL SERVICES: \$2,290,000
  - OUTREACH AND ENROLLMENT (DCCC, GWHCC, RAMW) AND NAVIGATORS/ASSISTERS: \$1,000,000
  - OUTREACH AND MARKETING: \$1,090,000
  - HEALTH INSURANCE LITERACY CAMPAIGN: \$125,000
  - DATA RESOURCES: \$68,000
  - ADMIN: \$7,000



## **IT (DCHealthLink.com)**

**IT PROPOSED FY21 BUDGET: \$10,746,360 (FY20 BUDGET \$11,898,189)**

- PERSONNEL SERVICES FOR 32 FTEs: \$4,490,786
- NON-PERSONNEL SERVICES: \$6,255,574\* (FY20 BUDGET \$7,868,904)
  - IT CONSULTANTS: \$5,087,337
  - SOFTWARE \$773,173
  - OCTO: \$84,644
  - ADMIN: \$60,420
  - FIXED COST (RENT & SUPPLEMENTAL HVAC): \$250,000

\*NPS SAVINGS FROM CONVERTING CONTRACTORS TO FTEs



## **AGENCY MANAGEMENT PROGRAM (AMP)**

**AMP PROPOSED FY21 BUDGET: \$5,798,102 (FY20 BUDGET \$5,660,719)**

- PERSONNEL SERVICES FOR 19 FTEs: \$3,424,363
- NON-PERSONNEL SERVICES: \$2,373,739
  - FIXED COST: \$1,837,031 (INCLUDES RENT, TELEPHONE & SUPPLEMENTAL HVAC)
  - MOA WITH DCHR FOR HR SUPPORT SERVICES: \$103,258
  - MOA WITH DISB FOR ASSESSMENT SERVICES: \$50,000
  - MOA WITH CONTRACT APPEALS BOARD: \$25,000
  - LEGAL EXPENSES (CONSULTANTS, WESTLAW, ETC): \$40,500
  - EMPLOYEE TRAINING: \$60,000
  - MEMBERSHIPS & SUBSCRIPTIONS (INCLUDING NASHP): \$31,000
  - CONSULTING SERVICES: \$75,000
  - ADMIN: \$151,950 (COMPUTERS, TRAVEL, OFFICE SUPPLIES, BOARD EXPENSES)



## **AGENCY FINANCIAL OPERATIONS (AFO)**

**AFO PROPOSED FY21 BUDGET: \$767,939 (FY20 BUDGET \$734,258)**

- PERSONNEL SERVICES FOR 3 FTEs: \$603,939
- NON-PERSONNEL SERVICES: \$164,000
  - AUDITING SERVICES (INCLUDING CAFR, SMART AUDIT): \$150,000
  - EMPLOYEE TRAINING: \$2,000
  - ADMIN: \$12,000



## ACA Works

- **Near Universal Coverage:** Nearly 97% of DC residents covered
  - DC ranks **#2** in U.S. for lowest uninsured
  - Cut uninsured rate in ½ since DC Health Link opened for business
  - 5<sup>th</sup> lowest individual market premiums (CMS 2019 data)
- **DC Health Link Small group & individual market:**
  - **100,000 covered lives** (private health insurance); new market for individual dental plans
  - **5,100+** District small businesses
  - **25 plans** from Kaiser and CareFirst for residents
  - **156 plans** from Aetna, United, Kaiser and CareFirst for small businesses
  - **800+** DC Health Link brokers





## HBX Recent Awards and Recognition

- ✓ **Won 2019 Sustainability and Equity Award:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Featured in the Fall 2019 AWS City on a Cloud International Announcement For Applications:**  
<https://aws.amazon.com/stateandlocal/cityonacloud/>
- ✓ **Won 2018 & 2016 Best Practices in Innovation:** Amazon Web Services (AWS) City on a Cloud international competition
- ✓ **Ranked #1 for consumer decision support tools (ranking of State-Based Marketplaces and Federal Exchange 2018 and 2017) (no report in 2019)**
- ✓ **Five PR News Awards in 2019 and 2018**
- ✓ **2017 AWS IT case study on cloud solutions:**  
<https://aws.amazon.com/solutions/case-studies/DC-HBX/>
- ✓ **First in the nation SBM partnership:** Selected by the Massachusetts Health Connector to provide IT solution and on-going operations support for the MA SHOP (Feb 2017)